

Memorandum

To: Chair and Commissioners

Date: June 16, 2003

From: Diane C. Eidam,
Executive Director

**Reference Number 4.2b
Action**

Ref: **FY 2003-04 SHOPP Allocation Plan**

Issue: The Commission set aside \$400 million in fiscal year (FY) 2002-03 and \$800 million in FY 2003-04 for State Highway Operation and Protection Program (SHOPP) projects. What should the Commission's criteria be for allocating funds to FY 2003-04 SHOPP projects?

Recommendation: Staff recommends that the Commission base its FY 2003-04 SHOPP Allocation Plan criteria on the same statutory requirements of Streets & Highways Code Section 167 (a) as it used for the FY 2002-03 SHOPP Allocation Plan. Staff also recommends that the Commission re-approve the attached prioritized SHOPP project categories list that is based on Streets & Highways Code Section 167 (a) and was developed in consultation with the Department.

Background: Based on the Department's projection of cash flow through June 2004, presented at the Commission's special March 12, 2003 meeting, the Commission limited SHOPP project allocations to \$400 million in FY 2002-03 and \$800 million in FY 2003-04. It is anticipated that by the June 2003 Commission meeting the Department's SHOPP allocation requests will use up the entire \$400 million available for SHOPP projects in FY 2002-03.

Discussion: The Commission's FY 2002-03 SHOPP Allocation Plan criteria and priorities followed the statutory requirements of Streets & Highways Code Section 167 (a), which states that funds in the State Highway Account shall be expended to maximize the use of federal funds and shall be based on the following sequence of priorities:

1. Operation, maintenance, and rehabilitation of the state highway system.
2. Safety improvements where physical changes, other than adding additional lanes, would reduce fatalities and the number and severity of injuries.
3. Transportation capacity improvements that expand capacity or reduce congestion, or do both.
4. Environmental enhancements and mitigation programs.

A majority of the SHOPP program falls into the first two priorities of Section 167 (a). The total program value of the FY 2003-04 SHOPP is approximately \$1.2 billion. This number includes programmed SHOPP projects, SHOPP reservations like the Minor program, SHOPP projects delivered in FY 2002-03 that did not receive a Commission allocation due to lack of funding capacity, and projects originally programmed in FY 2002-03 that slipped schedule into FY 2003-04 and were identified as not deliverable in the FY 2002-03 Allocation Plan.

With \$1.2 billion in SHOPP needs and only \$800 million available, the FY 2003-04 SHOPP projects need to be prioritized. The available \$800 million will most likely fund the SHOPP through the Pavement Rehabilitation & Preservation category on the attached list.

FY 03-04 SHOPP ALLOCATION PLAN CRITERIA IN PRIORITY ORDER

Program Code SHOPP Project Categories

Highway Emergency, Safety & Seismic Retrofit Projects

- 0.010 Safety Improvements
 - Major Safety Reservation
 - Minor Safety Reservation
 - Safety Emergency Damage Reservation
- 0.111 Bridge Scour
- 0.113 Bridge Seismic
- 0.015 Collision Reduction
- 0.020 Median Barrier Upgrades
- 0.230 Maintenance Worker Safety
- 0.112 Bridge Rail Replacement
- 0.325 Railroad Grade Crossings

Prior Commitments and Federal TEA Projects

- various Required for Projects Already Allocated or Committed
- 0.160 Relinquishments
- 0.335 Storm Water Mitigation
- 0.361 ADA Improvements
- 0.735, 0.736 Federal TEA Projects

Highway Preservation, Rehabilitation & Restoration Projects

- 0.130 Damage Restoration
- 0.110 Bridge Rehabilitation
- 0.120, 0.121 Pavement Rehabilitation & Preservation
- 0.151 Drainage Correction
- 0.125 Long Life Pavement
- 0.114 Bridge Widening (consistent road width across bridges)

Highway Betterment & Mitigation Projects

- 0.250 Roadside Rest Restoration
- 0.210 Planting Restoration
- 0.270 Noise Attenuation for Schools
- 0.150 Protective Betterments
- 0.240 Roadside Mitigations
- 0.245 Beautification & Modernization
- 0.220 New Highway Planting

Highway Operation Improvement Projects

- 0.310 Operations Improvements
- 0.315 Traffic Management Systems
- 0.321 Weigh Stations & WIM
- 0.322 Transportation Permit Bridges
- 0.170 Signs and Lighting Improvements

Office Building & Maintenance Facility Upgrade Projects

- 0.352 Maintenance Facility Upgrades
- 0.351 Equipment Shop Upgrades
- 0.353 Office Building Upgrades
- 0.260 New Roadside Rests